

SENT VIA EMAIL

June 11, 2012

Vera Todorov
President
Association of Legal Professionals (ALP)
c/o City Attorney's Office
200 E. Santa Clara Street
San Jose, CA 95113

RE: Proposals on Second Tier and Retiree Medical Benefits

Dear Ms. Todorov:

This letter is in response to your verbal request that the City clarify who has the authority to negotiate over issues involving retiree medical and second tier pension benefits for employees represented by the Association of Legal Professionals (ALP).

As you know, the Tentative Agreement reached between ALP and the City for Fiscal Year 2011-2012 included a provision calling for reopeners on (1) the Supplemental Retiree Benefit Reserve program; (2) Pension and Retiree Medical Reform; and (3) Sick Leave Payout. The parties entered into reopener negotiations on Pension and Retiree Medical Reform during the summer of 2011 and entered mediation in the Fall of 2011. After two rounds of mediation, the City issued its Last Best and Final Offer on Healthcare, Medicare Part A and B and Pension Benefits for New Employees ("Last Best and Final Offer") on April 16, 2012. The City Council is scheduled to vote on implementation of the Last Best and Final Offer on June 12, 2012.

The parties began negotiations over a successor contract on May 21, 2012. ALP has indicated that it intends to make proposals on issues involving Pension and Retiree Medical Reform at the bargaining table. At our third negotiating session on June 4, 2012, you asked whether such proposals should be directed to the reopener negotiations or at the contract bargaining table. As indicated in bargaining, the reopener negotiations are separate from our current contract negotiations. The reopener negotiations are at impasse and the City Council will be considering implementation of the City's Last Best and Final Offer on Tuesday, June 12th. However, we have just begun bargaining over a new contract and ALP has yet to put any substantive proposals on the table.

ALP

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While any action by the Council to implement the Last Best and Final Offer will set the status quo for the issues in the Last Best and Final Offer, the City bargaining team is open to receiving any proposal ALP may have regarding matters within the scope of bargaining, including matters covered by the Last Best and Final Offer, at the main table.

Sincerely,

A handwritten signature in black ink, appearing to read 'Marco Mercado', with a stylized, cursive script.

Marco Mercado
Senior Executive Analyst

c: Debra Figone, City Manager
Richard Doyle, City Attorney
Charles Sakai
Michelle Katsuyoshi